

Message Text

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PAGE 01 ROME 00755 171819Z

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 RSC-01 CIAE-00

INR-07 NSAE-00 MC-01 EB-07 COME-00 L-02 OMB-01 TRSE-00

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R 171715Z JAN 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9067

INFO AMEMBASSY REYKJAVIK

SECDEF

CINCLANT

COMICEDEFOR

USMISSION NATO

C O N F I D E N T I A L ROME 0755

E.O. 11652: GDS

TAGS: MASS, BEXP, PFOR, IC, IT

SUBJECT: ICELANDIC HELICOPTER PURCHASE

REF: (A) REYKJAVIK 41; (B) STATE 010837 (C) DEFENSE SECURITY
ASSISTANCE AGENCY (DSAA) MEMORANDUM OF 12 DECEMBER 1973

1. AS DEPARTMENT WELL AWARE FROM PAST INSTANCES OF INCURSIONS ON
BELL ITALIAN LICENSEE AGUSTA S.P.A.'S EXCLUSIVE LICENSING TERRITORY,
EMBASSY WOULD EXPECT SHARP REACTION FROM AGUSTA BELL AND SUBSEQUENTLY
FROM GOI WHEN LATEST EFFORT, TO CIRCUMVENT
AGUSTA LICENSING AGREEMENT WITH BELL BECOMES KNOWN. WE WOULD EXPECT
REACTION TO BE PARTICULARLY ACUTE GIVEN DECEMBER, 1974 ROLE OF DOD IN
ARRANGING SALE BELL HELICOPTERS TO GREECE, ALSO PART OF AGUSTA
BELL'S EXCLUSIVE TERRITORY.

2. SALE TO GREECE, WAS JUSTIFIED BY NUMBER OF CIRCUMSTANCES WHICH
DO NOT APPEAR OPERATIVE IN ICELANDIC CASE. WHILE REFTELS DO NOT
CONTAIN SPECIFIC ICELANDIC GOVERNMENT JUSTIFICATION FOR PREFERING
BELL (US) TO ITALIAN LICENSEE AGUSTA, REF C ESTABLISHES
REQUIREMENT THAT AGUSTA U.S. REP BE NOTIFIED IN CASE FMS
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PAGE 02 ROME 00755 171819Z

SALES WITH RIGHT OF REPLY TO ANY WRITTEN JUSTIFICATION

SUBMITTED BY ICELANDIC COAST GUARD. READING OF REFTEL (A)
SUGGESTS THAT LACK OF AWARENESS AGUSTA EXPERTISE IN HELICOPTER
CONSTRUCTION MAY BE IMPORTANT FACTOR; IF THIS INDEED THE
CASE, LOCAL BELL REP REYKJAVIK MAY WISH TO SUGGEST VISIT
ICELANDIC DELEGATION TO AGUSTA FACILITIES AT CASCINA COSTA NEAR
MILAN.

3. IN ANY CASE, AND AS ALL SHOULD BE AWARE, FURTHER LOSS OF SALES IN
AGUSTA EXCLUSIVE TERRITORY COULD RESULT IN AGUSTA MAKING GOOD ON
THREATS TO ABANDON U.S. PARTNERS IN FAVOR OF EUROPEAN LINKAGE.

4. WE RECOGNIZE THAT THERE MAY INDEED BE SUFFICIENT BALANCE
OF BENEFITS SO THAT US INTEREST WOULD BE BEST SERVED BY FMS SALE.
EMBASSY ROME WOULD APPRECIATE RECEIPT ICELANDIC JUSTIFICATION
AND FURTHER INFORMATION WHICH WOULD ENABLE US TO RESPOND TO
POSSIBLE AGUSTA AND/OR GOI DEMARCHES. VOLPE

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Message Attributes

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